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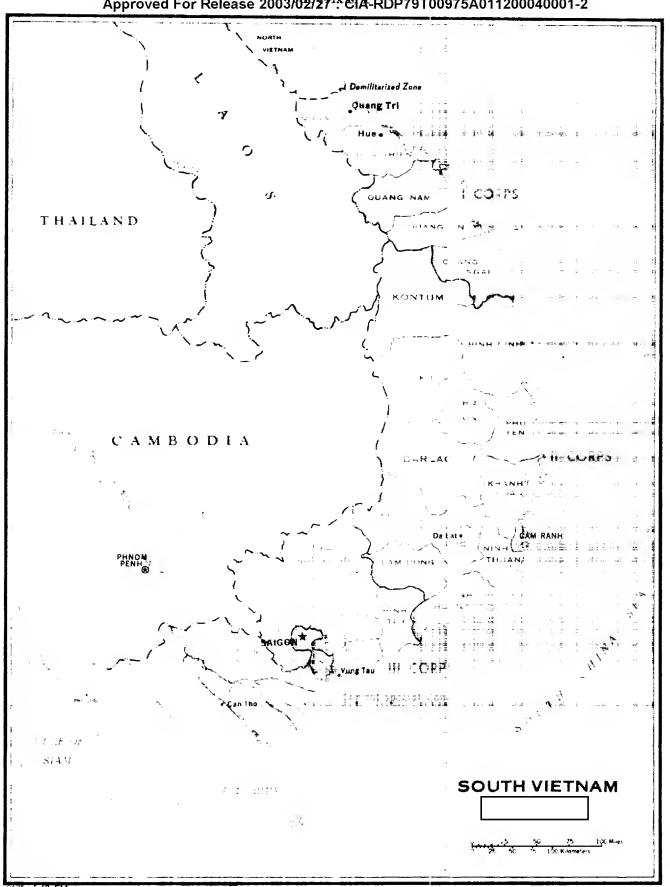
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South Vietnam: Fighting was sharp yesterday at points in northern I Corps and in the provinces surrounding Saigon.

A ten-hour battle took place less than three miles east of Quang Tri city between two South Vietnamese battalions and two companies of North Vietnamese. Clashes were also reported near Hue between US troops and an encircled North Vietnamese unit. There were several small-scale actions in central Quang Nam Province.

Most of the heavy fighting around Saigon, which involved Communist units of company to battalion size, occurred near probable enemy exfiltration routes from the capital environs. The city itself was quiet.

the first reaction of ene	my
forces to the Paris talks probably will be to fi	ght
harder to achieve the most favorable bargaining	
position possibleofficers	
have good morale, but the rank an	d
file are increasingly war-weary and their	
morale probably will sag if the talks are dragge	đ
out. (Map)	

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Panama: The government appears to be delaying release of the final election results for fear of touching off further disorders.

Both sides claim victory in Sunday's elections, which were characterized by more fraud and intimidation than usual even in Panamanian politics. The national guard and goon squads loyal to government candidate Samudio were responsible for most of the fraudulent activity.

the electoral tribunal will be unable to certify the final results before June or July, but when it does "Samudio will win by about six thousand votes." The government may insist on a recount on grounds that the voting was close, and stall for some time before announcing Samudio's "arranged" victory. Meanwhile the national elections board, composed of members of all parties, plans to begin its official review of the election figures on 18 May.

National Union (NU) leader Arnulfo Arias, however, may be unwilling to await a postponement.

the NU candidate intends to ask the tribunal to declare his victory at once. If it refuses, Arias claims that his followers will be instructed then "to act as they see best." Under these circumstances, extremist groups supporting Arias probably would attempt to provoke new disorders against the government.

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Czechoslovakia-USSR: Prague and Moscow seem to be seeking to ease the tension.

Limited information concerning the two-day conference in Prague of regional and district party secretaries suggests that Dubcek intends to continue the reform program but also to move against both dogmatic party members and the extreme liberals. The latter's activities and statements have been a major cause of Soviet concern.

The conference also discussed preparations for a party congress. The date will be set by a plenum of the central committee later this month. The congress probably will be the setting for Dubcek to attempt to remove or neutralize his opponents.

The Soviet Union also seems to be relaxing the pressure somewhat. Although Moscow still has not directly supported Prague's claim that Soviet troop movements were only routine "maneuvers," it may be edging in that direction. Soviet Marshal Yakubovskiy, the Warsaw Pact commander, said in a Pravda article of 13 May that the Warsaw Pact powers "have held, are holding, and shall hold exercises," and he attacked the Western press for "malicious provocations." Yakubovskiy's remarks were vaguely worded but suggest that Moscow does not now intend to intervene militarily.

Moscow has continued to criticize only carefully selected features of the Czechoslovak liberalization movement. The journal Sovietskaya Rossiya yesterday struck out at the efforts of "some people" to rehabilitate Thomas Masaryk. The article asked if these people--presumably Czechoslovak journalists--"realize what disaster" they can bring on by their activities. Some Czechoslovak journalists may feel obliged to answer this attack.

Czechoslovakia-Hungary: Animosity between Slovaks and Hungarians in southern Slovakia is growing.

The area was characterized as a "powder keg" in an article published on 26 April in Bratislava Pravda, the organ of the Slovak party's central committee. The Hungarian minority in Slovakia, numbering about half a million and isolated by the language barrier, is increasingly demanding autonomy, parity for Magyar, and return of the land from which Hungarians were forcibly evicted after World War II. These demands have drawn countercharges of separatism from the Slovaks, who point out that such resettlement would mean the eviction of many Slovaks from their present homes.

The Bratislava Pravda article called for an acceleration of plans to appoint a group of experts to work out a comprehensive settlement of the problem, warning that if it is ignored it will be settled "either by fatigue or by a pogrom."

[Map]



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West Germany - East Germany: Bonn is continuing its efforts to develop contacts with East Germany despite the recent restrictions on access to Berlin.

Last week, West Germany proposed the establishment of joint West and East German representation to the World Health Organization (WHO) in Geneva. In the past, Bonn, itself a full member of WHO, has opposed any kind of East German participation in international organizations to avoid an upgrading of the Ulbricht regime. Bonn apparently is still opposed to separate East German membership, but is willing to accept some kind of "all-German" representation in the interest of keeping hopes of eventual German reunification alive.

In another move, West German postal minister Dollinger is requesting, in a letter to his East German counterpart, that the East Germans provide a detailed accounting of their claims against West Germany for past postal services, presumably as a first step toward achieving a financial settlement. The letter avoids controversial elements contained in earlier exchanges between the two ministers. Bonn officials see "at least a fair chance" that the East Germans will agree to some kind of discussion of the postal claims.

Dominican Republic: Various leftist elements reportedly will attempt to disrupt tomorrow's municipal elections, but security forces are aware of their plans and are probably capable of preventing any serious violence.

The turnout probably will be light. Government efforts to get out the vote are being countered by the opposition parties, which are urging their followers to abstain from voting because of alleged government harassment and repression.

President Balaguer's Reformist Party (PR) is being challenged in about two thirds of the 77 municipalities by a conglomeration of Social Christian and independent slates. Many of the latter are fronts for the abstentionist parties and others represent dissident PR elements. Reformist Party candidates probably will fare well at the polls because of the lack of significant opposition and the relative popularity of the Balaguer government.

Chile: Differences have arisen between the Communist Party and its Socialist allies over support of the government.

Communist secretary general Luis Corvalan stated on 12 May that his party would support the government against the military coup the party claims is imminent, even though this would mean maintaining a "bourgeois regime." This position is generally in line with the Communists' commitment to democratic action as opposed to armed violence.

Their stand is in direct contrast with that of the Socialist Party, with which they cooperate in the Popular Action Front. The Socialists have implied that they would welcome any crisis that would hasten the downfall of the government. The Socialists are much closer to Castro's revolutionary policies than are the Communists, who fear that they would be the first target of the military.

However, some Socialist leaders--but not the party secretary general--apparently sanctioned the Communist position by appearing on the platform during Corvalan's speech. Also present were leaders of the opposition Radical Party, which has been cooperating with the Communists on a number of issues, including a recent key senatorial by-election.

NOTES

Korea: In the first major incident since 2 May, a North Korean patrol drew heavy fire from a South Korean guard post when it crossed the Military Demarcation Line on Monday to probe for mines and booby traps. According to South Korean reports, at least three North Koreans were killed and one South Korean seriously wounded. Radio Pyongyang almost immediately played up the incident as further evidence of the aggressive intentions of the United Nations forces.

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Guatemala: The Communist Rebel Armed Forces (FAR) is continuing preparations to resume guerrilla warfare in the next several months. FAR tactics will call for hit-and-run raids against army installations in northeastern Guatemala in the hope of drawing the army into ambushes. FAR units will not try to control specific areas, but instead will remain flexible and highly mobile,

movement appears better disciplined and organized for insurgency than in the past, and it may prove more difficult for government security forces to control.

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